

NEW: CITY OF TEMPE GENERAL GOVERNMENT DEVELOPMENT FEES

EFFECTIVE JANUARY 5, 2016

Development Fees for police facilities, fire facilities, street facilities and park and recreational facilities (collectively, "General Government "Development Fees) were adopted by City Council on October 22, 2015 and will become effective on January 5, 2016. The City of Tempe historically has only charged water and wastewater development fees to account for system expansion due to development. There was a "Residential Development Tax" that was nominal in nature and discontinued in 2014.

This document is being written to help staff and customers in understanding the imposition, calculation and collection of general government development fees in accordance with ARS § 9-463.05 and industry best practices.

Application: Prior to issuance of a building permit, the applicant shall submit a document from a licensed design professional, signed and sealed, stating the building's overall square footage (building area as defined by the Tempe Building Code), and a breakdown of area per major use type (Residential, Industrial, Commercial, Institutional, Office and other services). The requirement for a licensed design professional's seal on said document does not apply to single family residential (detached) projects. Additionally, for Multi-family residential projects, a total number of units shall be used to determine the average unit size per "Determination of Area for Residential Multi-family Units" below.

City Buildings/Facilities: City owned buildings and facilities are subject to development fees.

Building Permit: A Building Permit is a permit issued by the Community Development department for a new residential or non-residential building or structure intended as occupiable space (as defined by the Tempe Building Code). Permits for grading, shoring, site work, footings, foundations and tenant improvements are not deemed to be building permits for the purposes of calculating, imposing and collecting General Government Development fees. A Shell building permit shall be deemed to be a building permit and shall be assigned proposed occupancies in accordance with the approved plans for the purposes of calculating, imposing and collecting General Government Development fees.

Determination of Area for Residential Multi-family Units: Multi-family residential projects often include auxiliary uses and buildings including but not limited to covered parking (accessory to the main uses, not stand-alone commercial parking structures), leasing offices, ramadas, shaded play structures, pool houses, community rooms. In order to calculate the general government development fees for multi-family residential projects, calculate the total conditioned floor area, subtract the total conditioned floor area of auxiliary uses such as meeting rooms, community rooms, exercise rooms, laundry rooms and service rooms such as mechanical and electrical rooms and divide by the number of units to determine an average unit size to apply to the general government development fee schedule. For mixed-use multi-family residential buildings with retail, restaurant or office uses, see "**Mixed Uses**" below.

Determination of Applicable Fee Schedule: In accordance with ARS § 9-463.05F, the city shall not impose a new development fee on a development for a period of 24 months after the date of final approval for a multifamily residential, industrial or commercial, provided that no increases are made to the area of the building. For multifamily residential, industrial, institutional, office or commercial projects final approval means approval of a Development Plan Review (DPR). The basis for determination of the applicable development fees for single family residential projects (detached) is the date of issuance of a building permit pursuant to an approved site plan or subdivision plat.

1. If a commercial, industrial or multi-family residential project received final approval (DPR) before January 5, 2016, general government development impact fees will not be imposed upon the project if building permits are secured (issued) within two years of the final approval date.
2. For a residential subdivision or plat, new general government development fees will not be applied to any building permits in that subdivision or plat if a) the number of units approved in the plat does not change and b) first building permit for the plat was issued before January 5, 2016.

Buildings/Additions: General Government Development Fees are intended for new buildings and additions or expansions of buildings where new occupiable space (as defined by the Tempe Building Code) is provided it shall be used to calculate said fees. Additions to single family residential are exempt from Development Fees, unless said addition or expansion creates an additional dwelling unit.

Changes in Use: If there is no additional area being added through new construction, there will be no general government development fees calculated or charged for a change in use from one category to another in the following categories: (Residential, Industrial, Commercial, Institutional, Office and other services).

Arizona State University: In accordance with the City of Tempe's 2004 Inter-governmental agreement (IGA) with the Board of Regents, if the City is to issue a building permit for a project, General Government Development Fees shall be imposed, calculated and collected for said project.

Live/Work Units: Live/Work Units shall be assessed general government development fees as residential units.

Mixed Uses: Where a project is comprised of mixed uses of any or all of the following categories: Residential, Commercial, Industrial and Institutional, the floor areas of each category shall be multiplied by the appropriate factor in the general government development fee schedule and summed to calculate the total general government development fee. The final approval drawings or zoning entitlement documents will be used to determine the relative proportional areas of each distinct use.

Imposition/Calculation of Fees : For the purposes of calculation of development fees, where the units used to calculate fees are per square foot or per 1000 square feet, the calculated area value shall be rounded to the next higher whole number or multiple of 1000, as applicable.

Special Districts: Development within special districts such as Community Facility Districts (such as Downtown and Tempe Town Lake) and Improvement Districts (ID 180) are subject to development fees, including general government development fees. From state statute, in determining and assessing a development fee applying to land in a community facilities district established under title 48, chapter 4, article 6, the municipality shall take into account all public infrastructure provided by the district and capital costs paid by the district for necessary public services and shall not assess a portion of the development fee based on the infrastructure or costs.”

Pre-Purchasing of Permits or Pre-Payment of Development Fees: The practice of paying development fees before a building permit is ready to be issued in order to avoid higher development fees is not allowed.

Water and Wastewater Development Fees: Water and wastewater development fees shall be continued to be imposed, assessed and collected in accordance with current law, practices and policy.

Waivers of Development Fees: Development fees cannot be waived by the Community Development Director, or his or her designee.

Exception: The developer of residential units may be required to pay development fees at a later time by development agreement pursuant to ARS § 9-500.05. Such a development agreement shall require the deferred fees to be paid no later than fifteen days after the issuance of a Certificate of Occupancy. The development agreement shall provide for the value of any deferred fees to be supported by appropriate security (surety bond, letter of credit, or cash bond)

Written Statement of Development Fee Schedule: Upon request and per ARS § 9-463.05F, the City will issue a written statement, based upon the project as defined by the final approval documents, the applicable development fees to be collected for the project.